
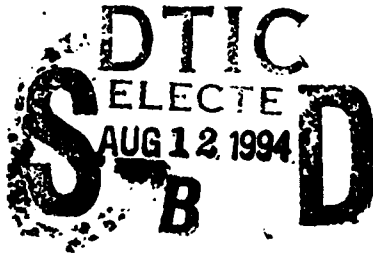


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FEDERAL EMPLOYEE UNIONS -
A NECESSARY PARTNER FOR TQM

by
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A RESEARCH REPORT SUBMITTED TO THE FACULTY
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ABSTRACT

TITLE: Federal Employee Unions - A Necessary Partner For TQM

AUTHOR: Jay L. Cohen, Lieutenant Colonel, USAF

Total Quality Management (TQM) has taken hold in the Department of Defense and the Air Force. TQM suggests a new relationship between management and employees to achieve continuous improvement of processes in the organization. Unions, because of their legal rights under the Civil Service Reform Act of 1978 and their position as the employees representative should play a role in the implementation of TQM. Choosing a proper role for the unions to play and obtaining the unions cooperation in implementation presents many potential pitfalls. However, without union cooperation, implementation of TQM with respect to Air Force civilian employees will be very difficult, if not impossible.

BIOGRAPHICAL SKETCH

Lieutenant Colonel Jay L. Cohen (J.D. Duke University) has been interested in labor law since he provided legal advice concerning civilian personnel matters at a Department of Defense agency where he was assigned as an attorney advisor in the agency's Office of the General Counsel. He thereafter obtained an advanced law degree in labor law and spent six and one-half years litigating labor cases on behalf of the Air Force. His most recent assignment was as Staff Judge Advocate for the 2d Wing at Barksdale Air Force Base. Lieutenant Colonel Cohen is a graduate of the Armed Forces Staff College.

TABLE OF CONTENTS

DISCLAIMER.....	ii
ABSTRACT.....	iii
BIOGRAPHICAL SKETCH.....	iv

Section

I. INTRODUCTION.....	1
II. TQM.....	2
III. LABOR RELATIONS IN THE FEDERAL GOVERNMENT.....	4
IV. IMPACT OF LABOR LAW ON TQM.....	8
V. UNION INVOLVEMENT IN IMPLEMENTING TQM.....	10
VI. SOME PRACTICAL SUGGESTIONS FOR IMPLEMENTING TQM....	17
VII. CONCLUSION.....	22

APPENDIX

Typical TQM Model.....	A
Summary of argument in American Federation of Government Employees Brief	B
American Federation of Government Employees... Position on TQM	C
Union Proposals re: Quality Service.....	D
Initiatives, Farmers Home Administration Finance Office	
IRS/NTEU TQO Partnership Agreement.....	E

FOOTNOTES

LIST OF REFERENCES

I. INTRODUCTION

Summer 1993 - Air Force civilian employees march to the main gate at Wright-Patterson Air Force Base carrying picket signs declaring that Total Quality Management (TQM) is unfair to civilian workers. Production at the San Antonio Air Logistics Center (ALC) grinds to a halt because civilian employees are testifying at hearings concerning grievances and unfair labor practices involving TQM.

Does this sound farfetched? It may not be as farfetched as you think. Simply because the Air Force and the Department of Defense (DoD) have adopted TQM as a way of doing business does not mean that the DoD civilian workforce, -- 34% of total DoD personnel strength,¹ and the unions which represent them, must cooperate in the implementation of TQM. No! In fact, unions, which have acquired significant power in the last decade, are suspicious about TQM. Thus, if appropriate action is not taken concerning unions the Air Force may have pickets at the gates of a number of our installations and a decrease in productivity because of TQM.

This paper addresses the involvement of federal civil service employee unions in implementation of TQM. It argues that union involvement is important -- indeed critical -- and offers practical suggestions for implementing TQM. Before discussing these issues, I will briefly describe TQM, the labor relations framework for federal civil service employees, and the barriers

to implementation of TQM posed by federal employee labor law.

II. TOTAL QUALITY MANAGEMENT

TQM is a process designed to develop attitudes and systems at all levels of organization that promote and implement continuous improvement of procedures, processes, products and services.² According to W. Edwards Deming, the man who started the quality revolution, TQM requires a transformation of the way we do business, a whole new structure from the foundation upward.³ Deming concludes that a key to this transformation is a new way of dealing with employees.⁴ Management must no longer treat workers like a commodity. It should satisfy the human needs of job satisfaction and self-fulfillment by removing the barriers to pride of workmanship and encourage employees to work toward the shared goals of the firm.⁵ To do this managers must become leaders who are colleagues with their workers, counselling them and leading them on a day-to-day basis.⁶ In this relationship, teamwork is critical.⁷ Ultimately, Deming believes that if managers can be transformed into leaders and form a team with the workers, then the adversarial relationship between labor and management can be eliminated and managers and workers will pull together to defend the firm's economic health.⁸

The guidance provided by the DoD in implementing TQM⁹ essentially adopts Deming's approach concerning transformation of the way management deals with employees.¹⁰ This philosophy

embodies two ideas: 1) the importance of people in the total process and 2) the belief that people can and want to contribute.¹¹ In other words, competent, dedicated employees make the greatest contributions to quality and productivity.¹² According to DoD guidance, it is management's job to enable employees to become the driving force for improvements.¹³ Management takes the lead to insure that employees are aware of the need for and the benefits of TQM, that they receive proper training, get feedback on their performance, and are empowered to make changes necessary to improve the process.¹⁴ Management must capture the potential inherent in the workforce by enabling the employees to do their job right the first time and must set the example to show employees that quality is important.¹⁵

The ultimate objective is to empower the workforce to exercise self-direction while continually pursuing improvement strategies.¹⁶ However, under the DoD guidelines, empowering workers does not necessarily mean involving them in management decisions. The guidelines do not recommend that workers be put on steering groups or senior level management quality councils that will control implementation of TQM.¹⁷ Similarly, there is no suggestion that workers should become involved in strategic goal setting which makes choices about the critical processes in which success is essential to organizational survival. The only way in which workers are involved is in lower level decisions related to improving the process.¹⁸ Thus, the primary thrust of the new relationship between management and employees is to

empower employees to give them the ability and the authority to make decisions to improve their work process, not to give them a voice in management decisions concerning setting the direction of the organization.

III. LABOR RELATIONS IN THE FEDERAL GOVERNMENT

Successful implementation of TQM depends upon employee involvement. A primary question is how unions will affect the Air Force's ability to obtain its civilian employees' involvement in TQM. Federal civilian employee unions are not new. However, although they have been in existence for at least the last 150 years;¹⁹ it was not until enactment of Title VII of the Civil Service Reform Act of 1978 (CSRA of 1978) that federal civil service employees were given the statutory right to bargain collectively about conditions of employment.²⁰ The CSRA of 1978 provided federal civilian employees the right to form, join or assist labor organizations, or to refrain from doing so, and to engage in collective bargaining concerning conditions of employment.²¹ To effectuate these rights, unions were given the right to represent employees in all matters concerning employment, including, collective bargaining.²² An administrative agency, the Federal Labor Relations Authority (FLRA), was created to enforce these rights and other provisions of the Act. The FLRA has the power to resolve unfair labor practice charges against both unions and management, and to

resolve questions concerning collective bargaining.²³ Decisions of the FLRA are generally subject to review by a federal circuit court of appeals.²⁴

Under the labor management relations framework set up by the CSRA of 1978, unions have the power to delay or even prevent the implementation of TQM as it affects the civilian workforce.²⁵ This power rests first on the union's status as the exclusive bargaining representative of all employees in a bargaining unit, whether or not the employees are union members: and second, on the requirement that federal agencies negotiate exclusively with the unions concerning conditions of employment. A condition of employment is any matter that concerns a bargaining unit employee and has a direct connection with the work situation or employment relationship.²⁶ Thus, if a union represents bargaining unit employees, whether or not a majority of the bargaining unit employees are union members, many actions management might want to take in implementing TQM require negotiation with the union.

Management's freedom to take action without negotiating with the union is not completely circumscribed. The CSRA of 1978 allows management to take certain actions without negotiating with the union. For example, management is not required to negotiate about its mission, budget, organization, number of employees and internal security practices. Nor is management required to negotiate about hiring, assigning, directing, laying off, retaining or disciplining employees, assigning work, making contracting out decisions, selecting personnel to fill positions

and taking whatever actions are necessary in emergencies to complete the agency's mission.²⁷

Although management is not required to negotiate about these matters, and to some extent is actually prohibited from negotiating about them,²⁸ management is required to negotiate about the impact and implementation of actions affecting conditions of employment in these areas.²⁹ In other words, if management changes a condition of employment as a result of action taken in any of these areas, it must negotiate with the union, not about the substance of the change, but about procedures management will use to implement the change and appropriate arrangements for employees adversely affected by the change.³⁰ Management is not, however, required to bargain about a union proposal concerning impact and implementation of a change to conditions of employment if the union proposal excessively interferes with management's right to make the change.³¹

Negotiations under the CSRA of 1978 can be complex and time consuming. Both union and management are required to bargain in good faith, which means that both parties must try to reach an agreement.³² Unless the subject of bargaining is a subject about which management is free to bargain or not bargain -- e.g., an agency's staffing patterns or means of doing work -- the parties must bargain until they resolve the issue or reach impasse.³³ The parties cannot declare that they have reached impasse until they have brought in the Federal Mediation And Conciliation Service (FMCS) to try to help them resolve their

differences.³⁴ If impasse is reached, the Federal Services Impasses Panel (FSIP) may be called upon to resolve the impasse.³⁵ Changes to conditions of employment may not be implemented until the impasse proceedings are completed; unless the change is required because of an overriding exigency.³⁶ In resolving the impasse, the FSIP ultimately has the authority to dictate an agreement.³⁷

The union's right as exclusive representative to bargain on behalf of an agency's employees involves more than simply negotiating conditions of employment. The status of exclusive representative gives the union the right to be present at any formal discussion between a bargaining unit employee and management.³⁸ The union's right does not extend to meetings concerning counselling employees about individual performance, or to meetings to elicit factual information and opinions of employees to insure the efficiency and the effectiveness of its operations.⁴⁰ If conditions of employment are to be discussed, however, a union representative should be present. This is primarily to insure that management does not bypass the union in dealing with the bargaining unit employees.⁴¹

Consider what can be done if in implementing TQM management changes conditions of employment without negotiating with the union, or, discusses conditions of employment with employees without having a union representative present at the discussions. If either happens, the union may file an unfair labor practice (ULP) charge with the FLRA.⁴² Management also has

the right to file a ULP if it believes that the union has violated the CSRA of 1978.⁴³ If the FLRA finds that a ULP has been committed, it may order a status quo ante remedy. That is, the agency or the union may be ordered to undo what has been done to return the situation to what it had been prior to the ULP.⁴⁴ For example, if management changes a condition of employment without bargaining with the union, the FLRA can order management to rescind the change. This is obviously a very potent remedy.

IV. IMPACT OF LABOR LAW ON TQM

Clearly, union management relations in the federal workplace are complex and heavily regulated. But, what does this mean for the implementation of TQM? While there are very few FLRA and federal court decisions concerning implementation of TQM, past decisions concerning related programs and issues suggest that an aggressive union can impede, if not completely block, implementation of TQM as it affects civilian employees. In this regard, past decisions of the FLRA and National Labor Relations Board (NLRB) cast doubt on management's right to set up process action teams involving civilian employees without negotiating with the unions.⁴⁵ More specifically, the FLRA, in a case involving the Pearl Harbor Naval Shipyard and a union representing the shipyards workers held that management could not initiate quality circles, involving civilian employees in a bargaining unit, to discuss conditions of employment without

negotiating with the union.⁴⁶ To do so would violate the union's right as exclusive representative of the employees whether or not the bargaining unit employees involved are union members.⁴⁷ On the other hand, the union's right as the exclusive representative of bargaining unit employees is not violated if teams of employees are set up to deal solely with their own jobs and do not discuss conditions of employment.⁴⁸ Also, employees can even be assigned involuntarily to these teams.⁴⁹ Thus, depending on the charter of the process action team, management may have to negotiate with the union prior to setting up the team.

The extent to which management may set up TQM teams without negotiating with the union is not crystal clear at the present time, however, it is clear that management may not adopt recommendations of these teams to change conditions of employment without negotiating with the union. Thus, although, a union may not be able to derail TQM efforts at the beginning when improvement teams are formed, it can prevent or substantially delay implementation of improvements recommended by the teams by filing grievances and ULPs and by frequently negotiating to impasse. We can therefore safely say that the labor relations framework established by the CSRA of 1978 gives unions the right to at least minimal involvement in the implementation of TQM and the power to make implementation difficult if they are not involved, or, if they chose to oppose implementation.

V. UNION INVOLVEMENT IN IMPLEMENTING TQM

Considering the unions' rights and power under the CSRA of 1978, can TQM be effectively implemented without the unions' cooperation? Perhaps it can. A wing commander at a major Air Force installation believes that it can be at his installation. He states that the union at his installation is not strong and the union's cooperation is not needed to implement TQM.⁵⁰ In fact, the wing commander stated that he wanted the workers' and not the union's participation in TQM.⁵¹ Consistent with his comments, the union has not been invited and does not sit on the Wing Quality Council. Despite this, implementation of TQM is proceeding smoothly and a number of process improvement projects are underway.⁵² Implementation of TQM without union involvement has occurred because, according to the Wing Commander, the union is weak.⁵³

Scott Air Force Base (AFB) presents a similar situation. At Scott AFB, the union was invited to participate in the implementation of TQM. The union president attended TQM training and was invited to attend quality council meetings. The union, for the most part, however, has refused to participate in TQM.⁵⁴ Despite the union's refusal, implementation of TQM has proceeded fairly smoothly. Improvement teams have been formed and are discussing ways to improve various processes, and in a few cases, have recommended improvements. Thus far, the union has not challenged the improvement team process.⁵⁵ The Civilian

Personnel Officer at Scott AFB attributes the lack of union resistance to a number of factors. First, the workforce is anxious to participate in TQM. Second, major changes to conditions of employment have not yet been recommended, and the changes proposed so far have been changes wanted by the employees. And, third, the union is weak with a very small constituency and does not reflect the views of the majority of the workforce concerning TQM.⁵⁶ The Civilian Personnel Officer at Scott AFB, however, frankly admits that the union could stop implementation of individual aspects of the TQM program. He is unsure of what would happen if a controversial change to conditions of employment was proposed.⁵⁷

Although it may be possible to implement TQM without union cooperation at bases which have a weak union, it appears to be more prudent and effective to try to get the union to cooperate in the implementation of TQM. The underlying philosophy of TQM encourages cooperation between union and management. More importantly, studies in the private sector suggest that successful quality programs are impossible without union-management cooperation.⁵⁸ Although there are currently no studies concerning the federal sector there is anecdotal evidence to support the position that union management cooperation is crucial to the success of TQM. A case in point involves the Internal Revenue Service (IRS) and the National Treasury Employees' Union (NTEU). According to the President of the NTEU, the IRS recognized that improvement of quality could not

come about without involvement of the union and therefore substantially involved the union in the IRS quality program.⁵⁹ In this regard, the President of the NTEU believes that quality improvement depends on the employees' voluntary effort, or, as he describes it "discretionary energy". He contends that the union is the only entity that can insure the willingness of employees to contribute this discretionary energy to improve the efficiency and productivity of the agency.⁶⁰ This belief is to some extent supported by the experience at one of the Air Force's ALCs where withdrawal of union participation in TQM caused some improvement teams to stop functioning.⁶¹ At a minimum, it is generally conceded that unions can help to make an organization more efficient⁶² and can insure smooth implementation of TQM.⁶³

If union cooperation in TQM is important, then how to obtain such cooperation should be a primary concern for management. One way to obtain such cooperation is a new approach to the employer-employee relationship suggested by TQM programs in the private sector. The traditional labor relations framework was that management made the decisions and the employees enforced the workrules.⁶⁴ Management was solely responsible for strategic decision making concerning products, research and development, large scale equipment purchases, sub-contracting policies and technological change. Unions fought for higher wages and benefits, and defended employee rights in the workplace. This traditional relationship was adversarial.⁶⁵ Under TQM, at least in a substantial segment of the private sector, the old paradigm

is changing. Unions are now becoming involved in strategic decision making.⁶⁶ Concomitantly, employees are being asked to become thinkers as well as doers. Consequently, the traditional boundaries between the unions and management, and employees and management are becoming blurred.⁶⁷

Can these new "rules of the game" be implemented in the Air Force? The answer is a definite maybe. As the Federal Quality Institute (FQI) recognizes, the structure of organizations in the federal government does not enhance implementation of TQM. Federal agencies are typically managed in top down, hierarchical, bureaucratic modes and operate through highly structured administrative rules and procedures. Management styles tend to be non-participative and rigid.⁶⁸ Despite recognizing these problems, as previously noted in this paper, neither the FQI nor the DoD guidelines suggest that as part of implementing TQM the structure should be modified by giving employees, through their unions, input into strategic decision making, or empowering employees to make significant changes to organizational processes. If anything, these guidelines suggest the opposite.

Problems may also occur in implementing these new "rules of the game" because many senior managers do not believe that unions should participate in strategic decision making.⁶⁹ The major installation wing commander, who was discussed previously, is just one of many examples of senior management officials who do not want unions to participate in decision making. Another

example is a quality director for a major air command, who stated that he did not believe that unions should sit at the table with management when strategic decisions were being discussed. He pointed out that at these meetings, tough issues like civilian employee reductions in force were being discussed and consequently, the unions should not be present. He stated that the union would have an opportunity to represent its members on issues like civilian reductions in force after a management decision was made.⁷⁰ These sentiments were echoed by a labor relations officer at another Air Force base, who stated that you could not give the union "a seat at the table" in a military environment.⁷¹

The Air Force has not issued any official written guidance concerning union involvement in implementation of TQM and more specifically, union involvement in decision making. There is perhaps a good reason for this. According to a civilian personnel specialist at the Workforce Appeals and Relations Division of the Directorate of Civilian Personnel, Headquarters United States Air Force, who is responsible for handling issues involving implementation of TQM, the issue of union participation in decision making presents a dilemma for Air Force management. Air Force managers, in general, are anxious to implement TQM; however, managers in general, do not want unions to participate in decision making.⁷² This is a dilemma that must be resolved if the Air Force is to implement TQM as it has been implemented in the private sector.

However, perhaps this dilemma cannot be resolved and the DoD and the Air Force will implement a modified version of TQM. In this regard, at least one union official expressed the opinion that the military culture, particularly the hierarchical structure, could present a formidable barrier to the implementation of TQM.⁷³

There are factors, however, that may compel us to allow union participation in decision making. Frequently, in the private sector, the force behind the change in managements' attitude toward labor was survival of the company.⁷⁴ Some individuals contend that this force is not present in the federal sector. The FQI disagrees. It states that federal agencies have the same incentives as private industry for implementation of TQM - survival.⁷⁵ The President of the NTEU presents concrete evidence to support the FQI's contention. He states that the incentive for the IRS to enter into a new relationship with the NTEU that involved granting the union a voice in strategic decision making was the IRS's realization that it had to change, or, would run the risk of going out of business.⁷⁶ Much closer to home, quality directors at two ALCs, who believe that their operations may be closed if they do not become more competitive, advocate that unions at these two ALCs be allowed to participate in strategic decision making.⁷⁷ Thus, the fear of going out of business may force government organizations just as it has private sector companies, to bring unions into the decision making process.

Uncertainty on the management side about implementation of TQM is mirrored by uncertainty on the union side. Both the President of the NTEU and the NTEU Atlanta Regional Counsel stated that the union faces risks in cooperating in the implementation of TQM. The biggest risk is that if TQM really works and employees are truly empowered, relations between management and labor may improve to such an extent, that employees will no longer see the need for a union.⁷⁸ Successful implementation of TQM could thus put unions out of business. This opinion is shared by some individuals in management,⁷⁹ but it is also disputed by other management officials. One management official believes that the risk of a fully empowered workforce causing unions to go out of business is overstated. He believes that no matter how empowered and satisfied workers are, they will always have grievances and look more or less to the unions to protect them.⁸⁰

Even if unions do not face the risk of going out of business by cooperating in the implementation of TQM, unions face a dilemma because they believe that by cooperating in TQM they are giving up certain rights. The American Federation of Government Employees (AFGE), which represents the vast majority of civilian employees in the Air Force Material Command, believes that it is giving up its right to be the employees' exclusive representative by letting management have direct contact with the employees, particularly in the context of process action teams.⁸¹ Also, unions, which to a large extent were founded on the old

guild system of specialized labor, are threatened by the multi-skill emphasis of TQM.⁸² In this regard, unions feel that they are giving up a valuable right when they allow employees to work outside of their job descriptions.

While TQM may require the union to give up some prerogatives, or, may even threaten the union's long term survival, it also provides advantages to the union. At a minimum, it provides employees with an input into how the work will be done, which is something they have wanted for a long time.⁸³ At best, unions will obtain what even the CSRA of 1978 withheld from them, the right to participate in strategic planning and decision making with management.⁸⁴ Consequently, unions may see TQM as a way to share power with management.⁸⁵ The ultimate question then is how much power will management be willing to share with the union and how much power will the union want in payment for cooperating in the implementation of TQM.

VI. SOME PRACTICAL SUGGESTIONS FOR IMPLEMENTING TQM

However management decides to implement TQM, some degree of union involvement is probably necessary to insure successful implementation. What can management do to obtain union involvement and cooperation? The general consensus in the literature and among the practitioners is that management must obtain the trust of the unions before proceeding with the implementation of TQM.⁸⁶ If management does not have the trust

of the union, then it should direct its initial efforts to gaining the trust of the union rather than trying to implement TQM.⁸⁷

A specific example of the problems that can result from proceeding with implementation of TQM before trust is established between the union and management is the situation that occurred at Griffiss AFB. At the time management initiated implementation of TQM at Griffiss AFB, relations between union and management were terrible.⁸⁸ Management, did not improve relations when it attempted to implement TQM without involving the union at all. Subsequently, when management, to settle an ULP, was forced to negotiate with the union, the union was not cooperative, and, among other things, tried to hold implementation of TQM hostage to obtain concessions on other unrelated matters.⁸⁹ Trust between labor and management is the first step on the long road to implementation of TQM.

Creating trust between labor and management can be difficult. When trying to create this trust, management must remember that TQM is typically viewed as a scheme to circumvent unions.⁹⁰ This is one of the reasons for AFGE's opposition to the implementation of TQM at Griffiss AFB.⁹¹ Management must therefore avoid even the perception that TQM is being used to circumvent the union. If TQM is viewed in this manner, then management will have serious problems in implementing any type of TQM project.⁹² One way to prevent TQM from being viewed as a way to circumvent the union is to involve the union early in the

implementation of TQM. This is suggested by the FQI, the DoD and a number of civilian personnel officers.⁹³ Although not officially suggested by any federal agency, unions' fears about being circumvented can be allayed by involving the union in making strategic decisions. Where this has been done, quality programs have stood more of a chance of success.⁹⁴

Another barrier to trust between union and management is the view that quality programs lead to employee drawdowns. In the private sector in the past, efficiency programs traditionally meant reductions in employment.⁹⁵ Current quality programs in the private sector have paid attention to this concern and have concentrated on demonstrating that quality programs enhance job security.⁹⁶ It is clear that federal employee unions share the same concerns as their private sector counterparts. The AFGE's national resolution concerning TQM derogatorily refers to TQM as just another program to get more work out of federal employees and cautions local unions about participating in TQM.⁹⁷ An AFGE local union proposal concerning implementation of TQM at the Farmers Home Administration (FMHA) more specifically demonstrates this concern. The union proposed that management agree that no employee will lose a job as a result of improvements resulting from TQM.⁹⁸

This fear of TQM leading to a loss of jobs is not felt by all unions. The President of the NTEU states that he does not fear that the IRS quality program would result in a reduction in jobs for NTEU bargaining unit employees. He reasoned that the

IRS was so understaffed and unable to properly perform its duties that any manpower savings resulting from the quality program would have to be used to upgrade the IRS's performance.⁹⁹ Although the IRS situation may apply to a number of federal agencies, it probably does not apply to the DoD which is rapidly downsizing. Thus, in implementing TQM in the Air Force, we will have to pay particular attention to union fears concerning force reductions resulting from TQM.

Creating trust between management and unions by addressing union concerns will not guarantee successful implementation of TQM. Agencies face two other problems that must be overcome to insure successful implementation. First, implementation of TQM may be thwarted by bureaucratic inertia. Despite good relations between management and the union at Pontiac's Fiero division, there were problems implementing TQM because of bureaucratic inertia at General Motors (GM). When management at Fiero tried to breakdown barriers between workers and management, they were continually blocked by GM.¹⁰⁰ In fact, union resistance to TQM at Fiero could largely be attributed to management inertia.¹⁰¹

The second problem, which is clearly related to the first, is potential management opposition to TQM. This potential is greatest with mid-level management. Two factors act together to increase mid-level management's opposition to TQM. First, TQM is typically a program first championed by top-level management and imposed on mid-level management without their consent.¹⁰²

And second, empowerment of workers may cause mid-level managers to feel that they are losing power.¹⁰³ Thus, careful attention should be paid to keep mid-level management involved in TQM and specific training should be provided for these mid level managers so that they can participate productively in TQM.¹⁰⁴ Whatever the specific approach used to implement TQM, top level management must insure that the bureaucracy and all levels of management are trained and "on board" so that management's vision of TQM is not thwarted.

Not only management, but also the unions must change their way of operating. The unions cannot maintain the old attitude that since they cannot bargain about wages in the federal sector they will nitpick management initiatives to death.¹⁰⁵ Unions must take a positive approach and get out of their traditional reactive mode.¹⁰⁶ Both management and the unions should take an interest oriented approach¹⁰⁷ to bargaining and labor relations in general. They should look to solving problems in their negotiations rather than trading items and holding programs hostage.¹⁰⁸ These practical suggestions for implementing TQM are not all inclusive, there may be, and probably are, other courses of action that may be taken to insure successful implementation of TQM. These suggestions, however, provide a firm bedrock upon which to build a successful implementation of TQM.

VII. CONCLUSION

Involvement of civilian employees in implementation of TQM in the Air Force will not be easy. The presence of unions complicates every step we take along the way. However, implementation can and must be accomplished. We already have made progress. At one ALC we have advanced from a situation where the union was guilty of an ULP because of refusal to negotiate about implementation of TQM, to a dramatically improved labor relations environment where the same union sits on the ALC Quality Council and actively participates in the implementation of TQM.¹⁰⁹ The Air Force may never implement TQM as the IRS has by allowing union participation in strategic decision making.¹¹⁰ But, we need to recognize, as two ALC Quality Directors have recognized, that unions need to be part of the team because they are a major stakeholder in our operation.¹¹¹ We simply can't ignore unions and refuse to involve them in the implementation of TQM because as we have seen unions essentially have a veto power over the implementation of TQM. On the other hand unions must carefully consider whether to exercise this veto power because union membership generally wants to participate in TQM.¹¹²

TQM is here to stay. Management and labor both have an interest in successful implementation of TQM. It is time that management recognize the unions' legitimate role in TQM and time for the unions to recognize the importance and benefits of TQM. It is also time for the Air Force to develop policies and provide

guidance on the unions' role in the implementation of TQM. We must realize that, ultimately, if management and the unions can't accommodate each other on TQM, they may indeed endanger the survival of their installation or organization.

FOOTNOTES

1. Defense 92, September/October 1992, 24.
2. Department of Defense, "Total Quality Management Guide" Vol. I, Washington D.C., Foreword.
3. W. Edwards Deming, Out of the Crisis, (MIT, Cambridge, Mass., 1982), ix.
4. Deming, Out of the Crisis, ix-x, 77,134.
5. Deming, Out of the Crisis, 52,77,148.
6. Deming, Out of the Crisis, 117.
7. Deming, Out of the Crisis, 64,117.
8. Deming, Out of the Crisis, 148.
9. As a framework for implementing TQM, DoD suggests a seven step process. (A diagram of the seven step process is attached in the Appendix) The seven step process starts with establishing the proper environment for the implementation of TQM and ends with the evaluation of the success of improvement projects. Improvement is a never ending process.
10. The Federal Total Quality Management Handbook appears to adopt Deming's philosophy more than the philosophies of Juran, Feigenbaum, and Crosby.
11. Department of Defense, "Total Quality Management Guide", Vol. I, 12
12. Department of Defense, "Total Quality Management Guide", Vol. I, 2.

13. Department of Defense, "Total Quality Management Guide", Vol. I, 3.
14. Department of Defense, "Total Quality Management Guide", Vol. I, 31.
15. Department of Defense, "Total Quality Management Guide", Vol. I, 23,24.
16. Department of Defense, "Total Quality Management Guide", Vol. I, 24.
17. Department of Defense, "Total Quality Management Guide", Vol. I, 25.
18. Department of Defense, "Total Quality Management Guide", Vol. I, 35.
19. Lt Col Richard T. Dawson and Lt Col W. Kirk Underwood, "Overview of Labor-Management Relations in the Air Force", The Air Force Law Review, Vol. 35, 1991, 1.
20. An attempt was made to give federal civil service employees the same rights as private sector employees by including them under the coverage of the National Labor Relations Act in 1935. However, the attempt failed. Federal employees were, however granted the right to organize and to bargain collectively about conditions of employment by Executive Orders 10988 and 11441. Bargaining rights were somewhat limited as disputes concerning bargaining were decided by an Assistant Secretary of Labor and not by a neutral party.
21. 5 USC 7103(a)(14)(C).
22. 5 USC 7102 and 5 USC 7114(a)(1)

23. Dawson and Underwood, "Overview of Labor-Management Relations in the Air Force", 4.
24. 5 USC 7123.
25. Mark Doboga, Civilian Personnel Specialist, Workforce Appeals and Relations Division, Directorate of Civilian Personnel, Headquarters United States Air Force, telephone interview with author, 8 February 1993 and William DeSantis, Labor Relations Officer, Griffiss Air Force Base, telephone interview with author 9 February 1993.
26. Lt Col W. Kirk Underwood, "Collective Bargaining in the Federal Sector", The Air Force Law Review, Vol. 35, 1991, 133.
27. 5 USC 7106(a).
28. 5 USC 7106.
29. 5 USC 7106(b)(3).
30. Nuclear Regulatory Com'n. v. Fed. Labor Rel. Auth., 895 F.2d 152(4th Cir. 1990) and 5 USC 7106(b)(2) and (b)(3).
31. American Federation of Government Employees, Local 2612 and U.S. Department of the Air Force, Griffiss Air Force Base, Rome Laboratory, FLRA No. 56(1992).
32. 5 USC 7114(b)
33. Underwood, "Collective Bargaining in the Federal Sector", 132 and 5 USC 7114(b).
34. Underwood, "Collective Bargaining in the Federal Sector", 137.
35. Ibid.

36. Underwood, "Collective Bargaining in the Federal Sector" 138.
37. 5 USC 7119(c)(5)
38. 5 USC 7114(a)(2)(A).
39. Dawson and Underwood, "Overview of Labor-Management Relations in the Air Force", 5.
40. Dept. of the Navy, Pearl Harbor Naval Shipyard and Hawaii FEMTC, 29 FLRA No. 96(1987), 35.
41. Ibid.
42. 5 USC 7116.
43. Ibid.
44. Dawson and Underwood, "Overview of Labor-Management Relations in the Air Force", 7.
45. Jeffrey C. McGuinness, "Blunting America's Competitive Edge", Industry Week, 21 October 1991, 63 and Larry Reynolds, "An Old NLRB Rule Threatens Quality Circles", Management Review, January, 1992, 53-55.
46. Department of the Navy, Pearl Harbor Naval Shipyard and Hawaii FEMTC 29 FLRA No. 96(1987). See also, NFFE, Local 1482 and Defense Mapping Agency, 44 FLRA No. 54(1992).
47. Dept. of the Navy, Pearl Harbor Naval Shipyard and Hawaii FEMTC, 29 FLRA No. 96(1987).
48. Ibid.
49. American Federation of Government Employees, Local 2612 and U.S. Department of the Air Force, Griffiss Air Force Base, Rome Laboratory, FLRA No. 56(1992).

50. Major Installation Wing Commander, interview with author, 17 February 1993.
51. Ibid.
52. Ibid.
53. Ibid.
54. Danial Marlette, Civilian Personnel Officer, Scott Air Force Base, telephone interview with author, 11 February 1993.
55. Ibid.
56. Ibid.
57. Ibid.
58. Mark Rosenbaum, "Partners in Productivity: An Emerging Consensus in Labor-Management Relations", National Productivity Review, Autumn 1989, 357-361 and Jim Abbott, "New Approaches to Collective Bargaining and Workplace Relations - Do They Work?", U.S. Department of Labor, Bureau of Labor-Management Relations and Cooperative Programs, 1990.
59. Robert M. Tobias, President, National Treasury Employees' Union, telephone interview with author, 12 February 1993.
60. Ibid.
61. Colonel James Folz, Director of Quality, Sacramento Air Logistics Center, telephone interview with author, 18 February 1993.
62. Mark Doboga, telephone interview with author, 8 February 1993.
63. William DeSantis, telephone interview with author,

9 February 1993.

64. Jim Abbott, "New Approaches to Collective Bargaining and Workplace Relations - Do they Work?", 2-3.
65. John Persico, Jr., Betty L. Bednarczyk and David P. Negus, "Three Routes to the Same Destination: TQM", Quality Progress, January 1990, 30.
66. Jim Abbott, "New Approaches to Collective Bargaining and Workplace Relations - Do They Work?", 1-2.
67. Jim Abbott, "New Approaches to Collective Bargaining and Workplace Relations - Do They Work?", 4.
68. "Introduction to Total Quality Management in the Federal Government", Federal Total Quality Management Handbook, Federal Quality Institute, May 1991, 23.
69. Colonel Lloyd R. Hish, Director of Quality, San Antonio, Air Logistics Center, telephone interview with author, 11 February 1993.
70. Major Air Command Quality Director, telephone interview with author, 10 February 1993.
71. William Harness, Atlanta Regional Counsel, National Treasury Employees' Union, telephone interview with author, 10 February 1993.
72. Mark Doboga, telephone interview with author, 8 February 1993.
73. William Harness, telephone interview with author, 10 February 1993.
74. John Persico, Jr., Betty L. Bednarczyk and David P. Negus,

- "Three Routes to the Same Destination: TQM", 31.
75. "Introduction to Total Quality Management in the Federal Government", Federal Total Quality Management Handbook, 23.
76. Robert M. Tobias, telephone interview with author, 12 February 1993. Mr Tobias stated that the IRS ran the risk of going out of business in the sense that voluntary payment of taxes would drop to an unacceptable level and a new system of revenue generation would be initiated thus putting the IRS as it currently exists out of business.
77. Colonel James Folz, telephone interview with author 18 February 1993 and Colonel Lloyd R. Hish, telephone interview with author, 11 February 1993.
78. Robert M. Tobias, telephone interview with author, 12 February 1993 and William Harness, telephone interview with author 10 February 1993.
79. Mark Doboga, telephone interview with author, 8 February 1993.
80. Colonel James Folz, telephone interview with author, 18 February 1993.
81. Summary of Argument in American Federation of Government Employees brief in American Federation of Government Employees Local 2612, and U.S. Department of the Air Force, Griffiss Air Force Base, Rome Laboratory (attached in Appendix).
82. David K. Carr and Ian D. Littman, Excellence in Government: TQM in the 1990s, (Coopers & Lybrand, Arlington, Va. 1990),

147.

83. William DeSantis, telephone interview with author,
9 February 1993.
84. Mark Doboga, telephone interview with author, 8 February
1993 and William Harness, telephone interview with author,
10 February 1993. As previously discussed in this paper,
under the Civil Service Reform Act of 1978, management is
not required to bargain about matters that could be
considered to involve strategic decision making, for
example: staffing, purchase of equipment, and contracting
out. See 5 USC 7106.
85. Colonel James Folz, telephone interview with author,
18 February 1993.
86. John Persico, Jr., Betty L. Bednarczyk and David P. Negus,
"Three Routes to the Same Destination: TQM"; Mark Doboga,
telephone interview with author, 9 February 1993; and
William Harness, telephone interview with author,
10 February 1993.
87. William Harness, telephone interview with author,
10 February 1993.
88. William DeSantis, telephone interview with author,
9 February 1993.
89. Ibid.
90. American Federation of Government Employees position on TQM
(attached in Appendix) and William N. Cooke, "Product
Quality Improvement Through Employee Participation: The

Effects of Unionization and Joint Union-Management Administration", Industrial and Labor Relations Review, October 1992.

91. Summary of argument in American Federation of Government Employees brief in American Federation of Government Employees, Local 2612, and U.S. Department of the Air Force, Griffiss Air Force Base, Rome Laboratory.
92. William N. Cooke, "Product Quality Improvement Through Employee Participation: The Effects of Unionization and Joint Union-Management Administration", 132. 93.
93. "Introduction to Total Quality Management in the Federal Government", Federal Total Quality Management Handbook; "How to Get Started Implementing Total Quality Management", Federal Total Quality Management Handbook, Federal Quality Institute, June, 1991, 15; and James Main, Civilian Personnel Officer, McChord Air Force Base, telephone interview with author, 16 February 1993.
94. Robert C. Stempel and Donald P. Ephlin, "Assuring Employee Satisfaction - Management/Labor Partnership", Quality Progress, February, 1989, 45 and William N. Cooke, "Product Quality Improvement Through Employee Participation: The Effects of Unionization and Joint Union-Management Administration", 124-132.
95. John Persico, Jr., Betty L. Bednarczyk and David P. Negus, "Three Routes to the Same Destination: TQM", 32.
96. Al Beck, "QWL and Unions in the 1990s", Journal for Quality

- and Participation, Vol. 11-4, 23.
97. American Federation of Government Employees position on TQM.
 98. Union Proposals re: Quality Service Initiatives, Financial Accounting Division, Farmers Home Administration Finance Office, St. Louis, Missouri (attached in Appendix).
 99. Robert M. Tobias, telephone interview with author, 12 February 1993.
 100. Andrea Gabor, The Man Who Discovered Quality, (Times Books, New York, 1990) 230.
 101. Ibid.
 102. "Questing for the Best", Business Week, Quality, 1991, 16 and "Total Quality Management Guide" Vol I.
 103. Questing for the Best", Business Week, 16 and Carr and Littman, Excellence in Government: TQM in the 1990s, 132.
 104. Ibid.
 105. Colonel James Folz, telephone interview with author, 18 February 1993.
 106. William Harness, telephone interview with author, 10 February 1993.
 107. For a detailed explanation of the interest oriented approach to bargaining, see, Roger Fisher and William Ury, Getting to Yes, (Penguin Books, New York, 1981).
 108. Robert M. Tobias, telephone interview with author, 12 February 1993 and William Harness, telephone interview with author, 10 February 1993.
 109. Colonel Lloyd R. Hish, telephone interview with author,

11 February 1993.

110. For a full description of the NTEU's involvement in decision making with the IRS, see, IRS/NTEU TQO Partnership Agreement (attached in Appendix).
111. Colonel James Folz, telephone interview with author, 18 February 1993 and Colonel Lloyd R. Hish, telephone interview with author, 11 February 1993.
112. William DeSantis, telephone interview with author, 9 February 1993.

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1. Jim Abbott, " New Approaches to Collective Bargaining and Workplace Relations - Do They Work?", U.S. Department of Labor, Bureau of Labor-Management Relations and Cooperative Programs, 1990.
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3. American Federation of Government Employees position on TQM.
4. Summary of argument in American Federation of Government Employees brief in American Federation of Government Employees, Local 2612 and U.S. Department of the Air Force, Griffiss Air Force Base, Rome Laboratory.
5. Al Beck, "QWL and Unions in the 1990s", Journal for Quality and Participation, Vol. 11-4.
6. "Questing for the Best", Business Week, Quality, 1991.
7. David K. Carr and Ian D. Littman, Excellence in Government: TQM in the 1990s, (Coopers & Lybrand, Arlington, Va., 1990).
8. William N. Cooke, "Product Quality Improvement Through Employee Participation: The Effects of Unionization and Joint Union-Management Administration", Industrial and Labor Relations Review, October, 1992.
9. Lt Col Richard T. Dawson and Lt Col W. Kirk Underwood, "Overview of Labor-Management Relations in the Air Force", The Air Force Law Review, Vol. 35, 1991.

10. Defense 92, September/October, 1992.
11. W. Edwards Deming, Out of the Crisis, (MIT, Cambridge, Mass., 1982).
12. Department of Defense, "Total Quality Management Guide", Vol.I, Washington D.C..
13. Department of the Navy, Pearl Harbor Naval Shipyard and Hawaii FEMTC, 29 FLRA No. 96(1987).
14. William DeSantis, Labor Relations Officer, Griffiss Air Force Base, telephone interview with author, 9 February 1993.
15. Mark Doboga, Civilian Personnel Specialist, Workforce Appeals and Relations Division, Directorate of Civilian Personnel, Headquarters United States Air Force, telephone interview with author, 8 February 1993.
16. "Introduction to Total Quality Management in the Federal Government", Federal Total Quality Management Handbook, Federal Quality Institute, May, 1991.
17. "How to Get Started Implementing Total Quality Management" Federal Total Quality Management Handbook, Federal Quality Institute, June, 1991.
18. Roger Fisher and William Ury, Getting to Yes, (Penguin Books, New York, 1981).
19. Colonel James Folz, Director of Quality, Sacramento Air Logistics Center, telephone interview with author, 18 February 1993.
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 22. Colonel Lloyd R. Hish, Director of Quality, San Antonio Air Logistics Center, telephone interview with author, 11 February 1993.
 23. IRS/NTEU TQO Partnership Agreement. 24.
 24. James Main, Civilian Personnel Officer, McChord Air Force Base, telephone interview with author, 16 February 1993.
 25. Major Air Command Quality Director, telephone interview with author, 10 February 1993.
 26. Major Installation Commander, interview with author, 17 February 1993.
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 28. Jeffrey C. McGuiness, "Blunting America's Competitive Edge", Industry Week, 21 October 1991.
 29. NFFE Local 1482 and Defense Mapping Agency, 44 FLRA No. 54(1992).
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32. Larry Reynolds, "An Old NLRB Rule Threatens Quality Circles", Management Review, January, 1992.
33. Mark Rosenbaum, "Partners in Productivity: An Emerging Consensus in Labor-Management Relations", National Productivity Review, Autumn, 1989.
34. Robert C. Stempel and Donald P. Ephlin, "Assuring Employee Satisfaction - Management/Labor Partnership", Quality Progress, February, 1989.
35. Robert M. Tobias, President, National Treasury Employees' Union, telephone interview with author, 12 February 1993.
36. Lt Col W. Kirk Underwood, "Collective Bargaining in the Federal Sector", The Air Force Law Review, Vol. 35, 1991.
37. Union Proposals re: Quality Service Initiatives, Financial Accounting Division, Farmers Home Administration Finance Office, St. Louis, Missouri.

STATUTORY REFERENCES

- 5 USC 7102
- 5 USC 7103(a)(14)(C)
- 5 USC 7106
- 5 USC 7106(a)
- 5 USC 7106(b)(3)
- 5 USC 7114(a)(1)
- 5 USC 7114(a)(2)(A)
- 5 USC 7114(b)
- 5 USC 7116

5 USC 7119(c)(5)

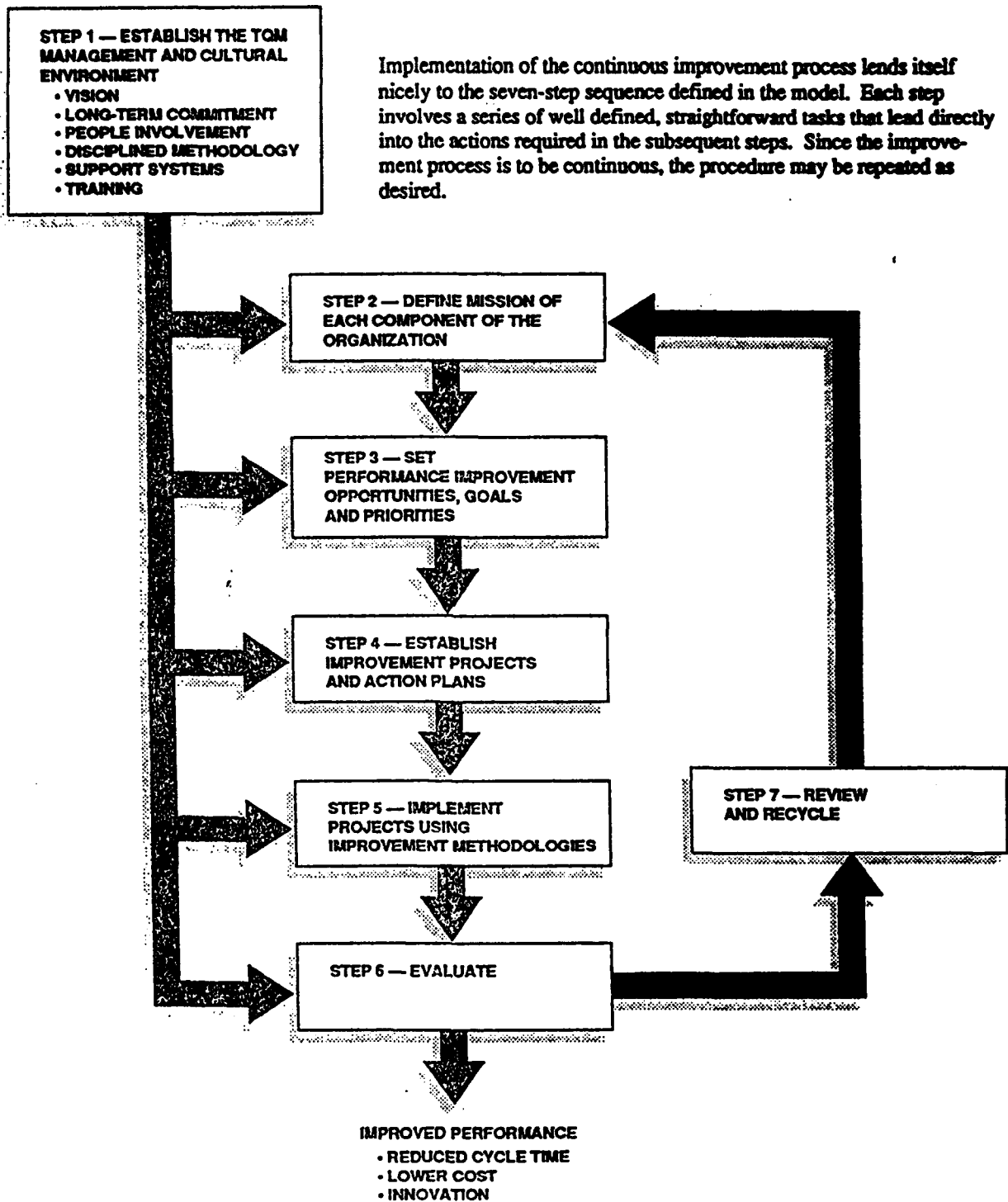
5 USC 7123

EXECUTIVE ORDERS

Executive Order 10988

Executive Order 11441

Typical Total Quality Management Model



Reference: Adapted from the Honeywell Aerospace and Defense Performance Improvement Guide.

According to the Federal Quality Institute (FQI):

"TQM is a strategic, integrated management system for achieving customer satisfaction which involves all managers and employees and uses quantitative methods to continuously improve an organizations processes."

According to FQI, The eight essential elements of TQM are:

- A focus on the customer
- Effective and renewed communications
- Reliance on standards and measures
- Commitment to training
- Top management support and direction
- Employee involvement
- The importance of rewards and recognition
- A long-term commitment

According to the FQI's Handbook entitled, "Federal Total Quality Management Handbook:"

Total Quality Management is a strategic, integrated management system for achieving customer satisfaction. It involves all managers and employees and uses quantitative methods to improve continuously an organization's processes. It is not an efficiency ("cost-cutting") program, a morale-boosting scheme or a project that can be delegated to operational managers or staff specialist. Paying lip service to quality improvement, by merely using quality slogans to exhort workers, is equally disastrous. As Dr. W. Edwards Deming has said, "Quality cannot be shouted."

At the foundation of Total Quality Management (TQM) are three principles: Focus on achieving customer satisfactions; seek continuous improvement; and full involvement of the entire workforce. Achieving these principles requires the establishment of a cultural shift within an organization aimed at making the new culture more participative.

IV. STATEMENT OF THE UNION'S CASE

The framework for the union's agreement to the employer's plan to implement its TQM program, and specifically those portions involving employee involvement that includes direct dealings with

employees, is the employer's agreement that employees' involvement will be voluntary and that those who do participate will not be adversely affected by participation in the TQM program.

Since the TQM quality team is judged as a unit on performance, the group's performance may adversely impact on individual employee's ratings. This aspect is contradictory in results because the TQM method also diminishes individual performance appraisals while promoting group accomplishments. As a result, an employee may perform well above satisfactory while the group may not reach a satisfactory level of performance, and the employee may have his or her performance unduly adversely impacted.

The proposal's second sentence is intended to prevent this "group influence" on individual appraisals. For this reason, the union's proposal is an "appropriate arrangement" under 5 USC 7106(b)(3).

The proposal at issue in this case was presented in very special circumstances. It was offered as a quid pro quo for the union's willingness to allow direct dealings and changes on conditions of employment between managers and bargaining unit employees. The proposal's clear stated requirement that employees participation in the TQM program will be voluntary is a reflection of the nature of the program being essentially voluntary, and is also a reflection of the negotiations as a balance of the interests of each party involving permissive areas of bargaining. As such, it constitutes an "appropriate arrangement" intended to alleviate the adverse affects of the exercise by the employer of a management

right or rights. The rights involved are those named by the agency in its opposition arguments; i.e., assign work and direct employees. We do not believe that discipline is at issue in relation to the proposal.

The agency's objection to the sufficiency of the union's petition simply is without merit. A reading of the union's petition will reflect a sufficient statement of the proposal's intent. While the proposal's plain language needs no additional elaboration, it was still accompanied by the background and context of the proposal. We believe that the discussion accompanying the proposal more than meets the criteria for a statement of intent.

As we will develop in our arguments, below, the TQM program cannot function properly without management being able to deal directly with employees in the quality teams where supervisors and employees participate as equals at problem anticipating and solving. The union is willing to agree to this in a waiver of its exclusive right to represent employees on conditions of employment.

In exchange for this essential access, the union requires two certain protection for employees. As reflected in the union's proposal, the union wants employee participation to be voluntary, and that employees' participation in the TQM program will not adversely affect them.

IV. ARGUMENT

The issue in this case presents an unusual question for the Federal Labor Relations Authority because of the dual permissive

AFGE Position on TQM

TQM

- Motion:** Whereas the Federal Government has established the Federal Quality Institute with the express purpose of promoting the adoption of TQM by agency managements;
- And Whereas TQM purports to involve and empower bargaining unit employees in the decision process;
- And Whereas it has always been the union that empowered the employees and done so in a legal framework that was enforceable in a court, but now management wants to empower employees and keep control of the whole process;
- And Whereas the direct involvement of bargaining unit employees is not permissible without the approval of the union;
- And Whereas a successful TQM program requires the support and cooperation of the union;
- And Whereas it is very clear that in many current instances, management is attempting to circumvent unions by avoiding their bargaining responsibilities in the implementation of TQM;
- And Whereas TQM promotes mechanisms to do "more with less" during periods of budget reductions;
- And Whereas it is recognized that a number of AFGE Locals are currently confronted with implementation and participating in TQM programs;
- And Whereas TQM can offer the union an opportunity to deal with issues that may be considered excluded by law from the collective-bargaining process;
- And Whereas there are both risks and opportunities for the union and its members in undertaking TQM;
- Therefore Be It Resolved that AFGE alerts its Locals and Councils not to participate in TQM until they complete a thorough assessment of the potential risks associated with TQM;

Be It Further Resolved That AFGE Locals and Councils should only participate in TQM with the proviso that certain conditions are met;

Be It Further Resolved That these conditions include:

- That TQM be born out of the collective bargaining process prior to implementation;
- That the collective bargaining process shall affirm that the union retains all rights provided by law and that the union may exercise those rights at their discretion;
- That the TQM program shall in no way undermine the union as exclusive representative of the employees in all matters relating to conditions of employment;
- That there shall be joint union-management control of any TQM effort, on a full and equal basis;
- That there shall be union representation on all TQM teams, with the right to call caucuses of bargaining unit members at any time;
- ★ • That all participation of bargaining unit members shall be voluntary and refusal to participate at any time shall not result in any penalty or reprisal;
- ★ • That no bargaining unit member will be adversely affected for participating or not participating in TQM;
- ★ • That there will be no adverse impact on employees from any TQM decision;
- That speedup of any kind is improper under TQM;
- That staffing will not be reduced, nor staffing increase rejected, as a result of TQM decisions;
- That all TQM monetary awards and recognition shall be on a group basis with equitable sharing by all participants;
- That additional and adequate union resources are to be approved to jointly manage TQM while maintaining current and appropriate representational and organizing activities;
- That any TQM agreements shall be ratified by the membership.

Be It Further Resolved That major goals of the TQM effort for the union are increased membership and improved representation.

Be It Further Resolved That AFGE will provide guidance to its members through regular communications, model contract language, and conduct of a conference on TQM, that shall include recognized experts on private sector experience, to be held during calendar year 1991.

NVP Pannell

NVP Williams

Motion Adopted by Unanimous Vote

15/1

UNION PROPOSALS RE: QUALITY SERVICE INITIATIVES, FAD

1. The Fiscal Accounting Division, FmHA Finance Office, St. Louis, Mo. and AFGE Local 3354 hereby agree to a joint effort to implement a Quality Service Initiative process. By jointly implementing the Quality Service Initiative. The Union and the Employer dedicate their capabilities to the following objectives:

A. Identification and solution of workplace and service-related problems by direct involvement of employees;

B. Through the consultation and problem-solving methods of the Joint Labor-Management Committee process, outlined in Article 32 of the LMRA, to develop increased personal dignity and job fulfillment by employees and supervisors/managers; and

C. Improve service to the FmHA Field Offices, FmHA borrowers, and the American public.

2. If a steering Committee is to be established it should be composed of the Union President and the five LIAB Union Stewards.

3. AFGE Local 3354 and the FmHA Finance Office, FAD, St. Louis shall establish a Joint Labor-Management Committee to develop the QSI program, including objectives, guidelines, and ground rules for implementation of the program. The scope of the JLMR Committee's agenda includes any and all aspects of QSI that affect or in any way impinge on the bargaining unit.

4. The JLMR Committee shall consist of 5 permanent members from FmHA/FAD and 5 permanent members from AFGE Local 3354. At least 3 members from each organization must be present to constitute a quorum.

5. The Quality Service Committee decisions will be arrived at through consensus of those members at a meeting and will be binding on the Committee or majority vote. Decisions of the Joint Committee will be recorded and available for review and agreement at the next Committee meeting. Decisions of the JLMR Committee which modify any terms of the LMRA, negotiated agreements, or past practices which fall within the purview collective bargaining, will be forwarded to the Union President/designee and the appropriate Agency official (who will be designated in the forwarding letter to the Union President/designee). These officials will have 30 days in which to review the decision(s) of the JLMR committee and to provide formal notice of approval/disapproval of necessary modifications and reasons therefore to the JLMR Committee decision(s). If necessary, formal negotiations will be held between the Agency and the Union to resolve any disagreements over such issues, but every effort will be made by both parties to solve any such problems through the JLMR Committee/QSI process.

6. The Quality Service Committee shall elect a chairperson from among its membership. The chairperson is responsible for preparing an agenda for each meeting.
7. The Quality Service Committee shall appoint/elect a secretary who will be responsible for recording and publishing the committee minutes.
8. Employee input of topics for consideration by the Quality Service Committee is encouraged. The Quality Service Committee will develop procedures for soliciting employee input.
9. The Quality Service Committee will meet bi-monthly for the first 90 days, then monthly thereafter and issue regular reports of its activities to all FAD employees.
10. The Quality Service Committee may establish Participation Teams to study and make recommendations on specific issues where particular employee knowledge/expertise is necessary.
11. AFGE Local 3354 members of the JLMR Committee will be on non-bank official time for Committee meetings and other Committee related work.
12. FmHA agrees to provide the same training, travel and per diem for union and employee participants as that provided management participants.
13. An employee shall not be adversely affected in conditions of employment by his or her involvement or non-involvement in the QSI process.

REASONS:

The above proposals are initial proposals, based on AFGE model language regarding Total Quality Management (TQM). While QSI is not being proposed as a full implementation of TQM concepts, it is the Union's initial position to push forward a more-thorough-going and employee-oriented quality program, within the framework initially agreed to in Article 32 of the LMRA. These initial proposals are likely to be modified once the Union has had the opportunity to fully inform and discuss the QSI proposals with FAD employees.

Where production (quality) is improved, it is because workers are providing knowledge and insight that is otherwise not available to management, and which in most cases is continually overlooked.

QWL-type programs have achieved significant success in changing attitudes in the way management wanted in other organizations, but have not substantially affected productivity, quality or costs. Where there has been success in these areas, it is because the knowledge and insight of workers has had a direct impact on changing the way the work is actually done.

QSI must truly include a round table where ideas can flow freely and result in changes which will benefit the workers and the employer, thereby bringing benefits to the public as a whole.

We reject the introduction of alternative workplace structures and employee-based programs which purport to represent workers' interest while circumventing the union.

We reject any manipulations in the name of QUALITY, service to the public, or improving the image of FmHA St. Louis which target cost reductions solely at the expense of job conditions and worker pay and benefits and security. All cost elements, to include the cost of management, should be on the table.

We reject efforts to shift compensation from wages to incentives and to individualize the rewards or productivity improvements.

For the employees, through their exclusive representative, to agree to full participation in such quality initiatives, they must be integrally involved in fashioning implementation of the program. FAD employees should have been involved through the Union, in the development of the initial drafts of the QSI proposals. We realize that these are only "first drafts" to START the discussion and the employee involvement in generating employee ideas for improving quality. If it is to work, management will have to accept employee involvement in decision-making.

The program must concentrate, not only on efficiency, but also on the job security of the bargaining unit and on the improvement of working conditions. We do not intend to let QSI-generated "efficiencies" or "special problem resolution programs" lead to reduction of employee jobs or to justification of current understaffing, or to deterioration of employee working conditions or to dividing employees into the "elite" problem resolution "snitches" v. the production employees. The employees must benefit if the Agency is to achieve improved quality service to its customers. If employees cut production time for example, they must be allowed more time to do a quality job and they must have increased time and resources for training and research. If the employees come up with "smarter" ways of doing the work, we must insure that their work-life does not become more difficult.

IRS/NTEU TQO PARTNERSHIP

The Internal Revenue Service faces challenges in the 1990's which provide a once in a lifetime opportunity to transform tax administration. We must dramatically change the way we work, retaining the best of today's work processes and searching for improvements in quality and customer satisfaction which will meet the needs of the American taxpayers.

The framework for these changes will be the IRS Strategies-Tax Systems Modernization, Compliance 2000, Diversity, Customer Satisfaction and Quality Driven Productivity and Ethics. The achievement of our goals require that we empower all the people in the organization, that we work together to incorporate changes into our worklives, and that we focus our efforts toward continuous improvement.

The Internal Revenue Service and the National Treasury Employees Union agree that the accomplishment of the mission of the Service, improving the quality of employee work life and enhancing our labor management relationship are of primary importance to both organizations and are the common focal points, as we continue with our joint improvement efforts. In order to increase voluntary compliance, reduce taxpayer burden, and improve quality and productivity to achieve customer satisfaction, we will jointly continually pursue innovative approaches which maximize the contributions of individual employees, managers, and the Union to work together to achieve those objectives. To be a Total Quality Organization, the Service must integrate and involve employees and NTEU at the early stages of the formulation of those decisions and processes that are the bases for the redesign and continual improvement of the IRS organization.

With participation comes a recognition that employees, the Union, and management have many common interests, but also have legitimate differences which must be respected and understood. While management and the Union will be required to continue performing their traditional responsibilities, their focus should be on up-front resolution when dealing with employee problems encountered during the workplace and systems improvement processes. Full participation should enhance the ability of all parties to recognize that dispute resolution systems exist to resolve problems, not to generate needless conflict.

IRS and NTEU will work together to institutionalize the behavioral and cultural changes necessary to move the Service forward. If either or both parties in an office request assistance to implement the new TQO partnership, all necessary assistance will be provided jointly.

The revision of our work processes will result in new ways of measuring our performance at the corporate level. We will be accountable for improving voluntary compliance, reducing taxpayer burden, and improving quality driven productivity and customer satisfaction. An ethic of continuous improvement will be inculcated into our business processes and continuous improvement is the goal of all offices.

As we work toward the goal of transforming tax administration, the Service remains committed to its policy to provide all career and career-conditional employees appropriate retraining and continued employment which gives them the opportunity to maintain their grades.

The partnership will be accomplished by using the following guiding principles:

1. The NTEU National President will join the IRS Executive Committee and the Senior Staff to participate in discussions concerning efforts to achieve a Total Quality Organization. Total Quality Organization includes the establishment of a work environment hospitable to the creation of the goal of TQO and the development, evaluation and/or proposed implementation of new work processes. NTEU will participate in groups such as the Human Resources Policy Board, ISCG, ISPB, Compliance 2000 Policy Board and Core Business Systems.

When NTEU attends meetings of these groups, it will fully participate and the group will make every attempt to reach agreement before a unilateral decision is made. However, if necessary, the group Chair retains authority to make final decisions. In addition, NTEU retains its statutory right to bargain.

2. Regional groups, which parallel national groups in which NTEU participates as described in #1, will be mirrored at the regional level. In addition, the Regional Commissioner and 2 NTEU regional representatives will meet at least quarterly to discuss region-wide relationships and progress toward goals. They will identify and assess quality efforts throughout the region and foster the adoption of those efforts and their gains in other offices.

If the Regional Commissioner initiates any regionwide quality improvement efforts, the regional NTEU representatives will be notified and the parties will discuss the planned efforts. They will jointly determine the appropriate NTEU involvement.

NTEU regional participants and regional representatives will be selected by the NTEU National President.

3. Local offices have discretion and broad parameters to determine the structures and processes they will employ to accomplish their goals toward a Total Quality Organization and the enhancement of a more progressive approach to their labor management relationship. The NTEU President or Joint Council Chair, the NTEU TQO Representative, one other NTEU designee, the Head of Office and other management designees will participate in ongoing discussions concerning efforts to achieve a Total Quality Organization using the decision making model described in #1.
4. To work towards a TQO, management and NTEU officials at both the national and local levels will:
 - monitor the variety of improvement efforts to ensure that they are cross functional in their design, center on the customer, and are implemented to realize their full benefit;
 - ensure that the office has an effective process by which employees can nominate quality improvement initiatives;
 - follow through on realizing and exporting the gains;
 - expand the types of quality tools available in the office while increasing the number of employees equipped to use them and integrate them into the day to day work;
 - implement an all employee survey feedback action process which provides input to enhance continuous systems improvement and overall internal communications;
 - conduct an annual self assessment against the Baldrige award criteria and any additional criteria developed nationally or locally and develop effective measures for success at the national level;
 - involve employees in establishing process measurements, gathering and analyzing data. Communicate with employees about the process measures being used. Share process performance data with employees;

- involve employees in designing new systems, redesigning and improving existing systems;
 - recognize that the efforts to achieve the goals of a TQO are an integral part of the work of Service employees;
 - extend recognition to individuals and teams who exemplify behavior which reinforces "continuous improvement";
 - jointly and unilaterally identify and recognize individuals and organizations for their efforts toward the achievement of mutually defined goals and the objectives and strategies of the Service;
 - train all the participants in all of the skills, tools and techniques necessary for succeeding in a TQO environment;
 - jointly and unilaterally communicate to support the goals and the values of the IRS/NTEU TQO Partnership;
 - acknowledge the contribution of all parties in all forums. This includes management actively recognizing and supporting the union's contributions to the Service during public sessions such as employee orientations, and likewise, NTEU's recognition of management's efforts;
 - recognize that the work of employees, managers, and the Union to achieve the goals of a TQO is critical to the IRS mission, and is therefore performed as official IRS business. All parties are committed to the proper use of time and energies accomplishing these goals.
5. The selection of highly skilled employees to serve on task forces or teams to pursue innovative approaches to accomplishing a total quality organization is critical to the success of this partnership. When a decision is made to create a task force or team for this purpose, NTEU will be invited to assist in developing the necessary criteria and the parties will jointly develop a list of qualified employees. Before making selections from this jointly developed list, management will discuss any concerns expressed by NTEU over the proposed selections and attempt to resolve any differences prior to making final selections.

In addition, where appropriate, management is committed to ensuring that bargaining unit employees comprise at least one-third of their selections. The ability of participating offices to reach agreement prior to making selections will serve as an indicator of a positive labor management relationship.

The Joint National Quality Council will remain in existence to administer the Joint Quality Improvement Process at the regional, district and service center level as offices transition to new levels of involvement. It will determine criteria to certify offices which will pursue TQO, and will establish milestones for those offices to move to the eventual organizational goal.

If the union and management leadership in an office agree to pursue a TQO effort, they will apply to the JNQC and describe how they intend to accomplish the milestones set by the JNQC. Once an office is certified, it will create its partnership based on the guidelines described in the forgoing guiding principles. If an office is not certified by the JNQC, it will continue with the status quo. Management and NTEU will hold their respective local representatives accountable through existing processes. If appropriate, the JNQC can decertify an office and suspend TQO activities.

It is expected that the specific processes, procedures and structures beyond those described in this document will be developed over time, supported by guidance issued by the Deputy Commissioner and the National President of NTEU, and driven by joint innovation and experimentation in the local offices.

By April 1993, a joint national assistance strategy will be in place to assist local offices, as necessary, in all aspects of their labor-management activity, including the TQO relationship.

To maximize NTEU's positive contributions to this partnership, an NTEU position selected by the Chapter President dealing solely with TQO activities will be created in all JNQC certified and participating offices and will be granted the time necessary for exercising this role, both internal to the Union and in conjunction with management. This individual will not perform traditional representational duties.